GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:819
ANSWERED ON:03.12.2015
Financial Problems to Power Developers
Reddy Shri J.C. Divakar

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether price fixed by the Andhra Pradesh Electricity Regulatory Commission (APERC) vide its order dated 20.6.2013 has led several developers to close down their units due to becoming non-viable and facing problems making them unable to repay the loans to IREDA; and

(b) if so, the reasons therefor and the corrective measures being taken by the Central Government in making the developers run their units thereby ensuring development of the non-conventional energy in the State of Andhra Pradesh?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): No Madam. As informed by New & Renewable Energy Development Corporation of Andhra Pradesh Ltd., there is no order of Hon'ble Andhra Pradesh Electricity Regulatory Commission (APERC) dated: 20.06.2013, but the APERC vide their order dated 22.06.2013 has determined the tariffs for Biomass, Bagasse based Cogeneration and Mini Hydel Power projects which were existing as on 31.03.2004 and those commissioned between 01.04.2004 to 31.0.3.2009 except for the projects covered by Power Purchase Agreements (PPAs). While determining the tariff, the Hon'ble Commission has taken the norms of Hon'ble Appellate Tribunal for electricity (APTEL) into consideration and finalized the tariff.

(b): The Hon'ble Andhra Pradesh Electricity Regulatory Commission (APERC) taken up the corrective measures and vide their order no. 02/2015,dated:02.04.2015 has determined the variable cost for the period from 01.04.2014 to 31.03.2019 in respect of the existing Biomass, Industrial waste and Bagasse based project which inter-alia helps developers to run their units. Due to revision of tariff announced by the APERC for 2014-15, biomass power projects which were not under operation because of low tariff have now started operations. Similarly, repayment position for Small Hydro projects has also improved with the revision of tariff in 2015-16.
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